				1		ADDAUCD	
Form 3160 -3 (April 2004)	UNITED	STATES	OCD Artesia		FORM OMB N Expires	APPROVED o. 1004-0137 March 31, 2007	
	DEPARTMENT OF BUREAU OF LAN	THE INTE D MANAGE	RIOR MENT	-	5. Lease Senial No. 34NMNM-01381	4; NM7752	
. A	PPLICATION FOR PERM		LL OR REENTER		6. II Indian, Allofee N/A	or Tribe Name 7	
la. Type of work:	✓ DRILL	REENTER			7 If Unit or CA Agro N/A	eement, Name and No. 1	
lb. Type of Well:	Gas Well Gas Well Ot	her	Single Zone Multi	ple Zone	Twelve Pack	Federal Com #1HC	
2 Name of Operato	COG Operating LLC	36 1	< 229137	7 /	30-015-	41099	
5a. Adultss 600 W	One Concho Center / Illinois Ave, Midland, TX 79701		(432) 685-4384		Loco Hills; G	lorieta Yeso 2 96718	
4. Location of Well At surface	(Report location clearly and in accorda SHL 330' FNL & 230' FW	nce with any State	UNORTH	ODO	Sec 6, T17S, F	R30E	
At proposed prod 14. Distance in miles :	L zone BHL 330' FNL & 330' FE and direction from nearest town or post	L, (۲۲۰۰ (office*	LUCAI		12. County or Parish	13. State	
15. Distance from pro location to nearest	2.5 miles Northeast of I	2000 Hills, NM	No. of acres in lease	17. Spacin	Eddy g Unit dedicated to this	well	
(Also to nearest d	posed location*)' 19.	312.97 Proposed Depth	, 20. BLM/I	155.71 BIA Bond No. on file	-,	
to nearest well, dri applied for, on this	Illing, completed, s lease, ft. 395'		TVD: 5500' MD: 9894'	NMB	4B000740; NMB000215		
21. Elevations (Show	v whether DF, KDB, RT, CL, etc.) 3692' GL	22	Approximate date work will sta	nt*	23. Estimated duration 10 days		
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Surface Use Plan COG Operating, LLC Twelve-Pack Federal Com #1H SL: 330' FNL & 230' FWL UN 4 BHL: 330' FNL 330' FEL UL H Section 6, T-17-S, R-30-E Eddy County, New Mexico

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or COG Operating, LLC, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 27th day of September, 2012.

and band Signed:

Printed Name: Carl Bird

Position: Drilling Engineer

Address: One Concho Center, 600 W. Illinois, Midland, Texas 79701

Telephone: (432) 683-7443

Field Representative (if not above signatory): Same

E-mail: cbird@concho.com

Surface Use Plan

Page 8

ATTACHMENT TO FORM 3160-3 COG Operating, LLC TWELVE-PACK FEDERAL COM #1H SHL: 330' FNL & 230' FWL, LOT 4 BHL: 330' FNL & 330' FEL, Unit A Sec 6, T17S, R30E Eddy County, NM

1. Proration Unit Spacing: 160 Acres

- 2. Ground Elevation: 3692'
- 3. <u>Proposed Depths</u>: Horizontal: EOC (end of curve) TVD= 5500' MD= 5816' Toe (end of lateral) TVD= 5429' MD= 9894'
- 4. Estimated tops of geological markers:

Rustler	341'
Top of Salt	600'
Base of Salt	1000'
Yates	1176'
Seven Rivers	1453'
Queen	2054'
Grayburg	2459'
San Andres	2782'
Glorieta	4211'
Paddock	4273'
Blinebry	4674'
Tubb	5622'

5. Possible mineral bearing formations:

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Water Sand	130'
Grayburg	2459'
San Andres	2782'
Glorieta	4211'
Paddock .	4273'
Blinebry	4674'
Tubb	5622'

Fresh Water

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 366' (25' into Rustler) and circulating cement back to the surface will protect the surface fresh water sand. The Salt Section will be protected by setting 9 5/8" casing to 1/90' and circulating cement back to surface in a single or multi-stage job and/or with an ECP. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them or be isolated by external casing packers. This will be achieved by cementing 7" casing from the KOP by single or multi-stage job using ECP & DV Tools as necessary. The 7" portion of the tapered 7" x 5 ½" production casing will be cemented back to a minimum of 200' into the intermediate casing (although cement volume is actually calculated to surface). At the KOP the 7" casing packers for zone isolation. If wellbore conditions arise that require immediate action and/or a change to this program, COG Operating LLC personnel will always react to protect the wellbore and/or environment.

ATTACHMENT TO FORM 3160-3 COG Operating, LLC TWELVE PACK FEDERAL COM #1H Page 2 of 6

6. Proposed Mud System

The well will be drilled to TD with a combination of fresh water, brine, cut brine and polymer mud systems. The applicable depths and properties of these systems are as follows:

DEPTH (MD)	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-3\$6' 390	Fresh Water	8.5	28	N.C.
3,66'-1,190'1125	Brine	10	30	N.C.
1190'-4979'	Cut Brine	8.7-9.2	30	N.C.
4979'-5816'	Cut Brine/polymer mud	8.7-9.2	30	N.C.
5816'-9894'	Cut Brine/polymer mud	8.7-9.2	30	N.C.

Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times.

6. Proposed Casing Program

Hol Size	e Interval MD	OD Casing	Weight	Grade	Condition	Jt.	brst/clps/ten
17 1/2	" 0-366' 390	13 3/8"	48#	H-40/J-55 Hybrid	New	ST&C	4.73/4.75/21.1
12 1/2	" 366'- 1190' // 2 5	9 5/8"	40#	J/K-55	New	LT&C	3.35/4.18/12.97
8 ³ /4"	1/190'- 4979'	7"	26#	L-80	New	LT&C	1.45/2.27/4.60
8 ³ /4"	4979'- 5816'	5 1/2"	17#	L-80	New	LT&C	1.55/2.64/4.65
7 7/8	" 5816'- 9894'	5 1/2"	17#	L-80	New	LT&C	1.55/2.64/4.65

Production string will be a tapered string with 7" 26# L-80 LTC run from surface to kick off point (4979') and then crossed over to 5 $\frac{1}{2}$ 17# L-80 LTC.

ATTACHMENT TO FORM 3160-3 COG Operating, LLC TWELVE-PACKER FEDERAL COM #1H

Page 3 of 6

7. Proposed Cement Program

13 3/8" SURFACE: (Circulate to Surface)

Lead: 0'-366'	425 sks	Class "C" w/2% CaCl2	1.32 cf/sk	14.8 ppg
Excess 94%		+ 0.25 pps CF		

9 5/8" INTERMEDIATE:

Option #1: Single Stage (Circulate to Surface)

Lead: 0'-850' Excess 153%	300 sks	50:50:10 C:Poz:Gel w/ 5% Salt+ 0.25% CF +5 pps LCM	2.45 cf/sk	11.8 ppg
Tail: 850'-1190' Excess 159%	200 sks	Class C w/2% CaCl2	1.32 cf/sk	14.8 ppg

Option #2: Multi-stage w/ DV Tool @ +/-416'(DV Tool 50' below 13 3/8" csg. Shoe) (Circulate to Surface)

Stage #1: Lead:		•		
416'-850'	200 sks	50:50:10 C:Poz:Gel w/5%	2.45 cf/sk	11.8 ppg
EXCESS 230%		San+0.25% CF+5 pps LCM		
Tail: 850'-1190'	200 sks	 []ass "C" w/2% CaCl2	1 32 cf/sk	14.8 ppg
Excess 144%	200 510		1.52 OD 5K	The ppg
Stage #2				
0'-416' Excess 218%	200 sks	50:50:10 C:Poz:Gel w/5% salt+ 0 25% CF	2.45 cf/sk	11.8 ppg

Note: Multi-stage tool to be set depending on hole conditions at approximately 416' (50' below the surface casing shoe). Cement volumes will be adjusted proportionately for depth changes of multi-stage tool.

ATTACHMENT TO FORM 3160-3 COG Operating, LLC

• Page 4 of 6

<u>7" X 5 ½" TAPERED PRODUCTION CASING</u>:

Cement details for 7" portion of tapered casing string as follows:.

Option #1: Single Stage (Cement cal to Surface) DV Tool & ECP (external csg. Packer) @ 4979' KOP:

Lead: 500 sks 990'-4400' (min. tie back 200' above 9 5/8"shoe) Excess 53.0%

Tail: 200 sks 4400'-4979' Excess 219% 35:65:6 C:Poz Gel w/5% salt+ 5 pps LCM+ 0.2 % SMS+ 0.3% FL-52A+ 0.125 pps CF+1 % BA-58+ 1% FL-25 50:50:2 C:Poz Gel w/5% salt+ 3 pps LCM+ 0.6 %

SMS+ 0.3% FL-52A+ 0.125 pps CF+1% FL-25+

1% BA-58

1.37 cf/sk 14.0 ppg

12.5 ppg

2.05 cf/sk

Option #2:Multi-stage (2 Stages) w/DV Tool & ECP@ +/-4979'

Stage #1:				
Lead:	350 sks -	35:65:2 C:Poz Gel w/5%	2.05 cf/sk	14.0 ppg ·
1240'-4400'		salt+ 5 pps LCM+ 0.2 %		110
Excess 51%		SMS+0.3% FL-52A+		
		0.125 pps CF+1% FL-25+		
		1% BA-58		
Tail:	200 sks			
4400'-4979'		50:50:2 C:P)oz Gel w/5%	1.37 cf/sk	14.0 ppg
Excess 219%		salt+ 3 pps $LCM + 0.6\%$		
		SMS + 0.3% FL-52A+		
		0.125 pps CF + 1% FL-25+		
		1% BA-58	·	

Stage #2:

2nd DV Tool @ 1240' (50' below 9 5/8" csg shoe) (Cement cal to Surface)

Lead:	150 sks	35:65:	2 C:Poz Gel w/5%	2.05 cf/sk	12.5 ppg
990'-1240'		salt+ 5	pps LCM+ 0.2 %		
(min. tie back	200'	SMS+	0.3% FL-52A+		
above 9 5/8"	shoe)	0.125	pps CF+1% FL-25+		
Excess 57%		1% BA	-58		

ATTACHMENT TO FORM 3160-3 COG Operating, LLC CO M TWELVE PACK FEDERAL #1H Page 5 of 6

Note: 5 ¹/₂" casing will be run from KOP at 4979' thru curve and lateral to TD of 9894' MD. Productive intervals will be isolated by a Peak Packer system or similar.

Note: Assumption for 2nd DV tool is water flow. Cement volumes will be adjusted proportionately for depth changes of multi-stage tool.

Note: FL-52A is fluid loss additive, R-3 is retarder.

Note: Multi-stage tool to be set depending on hole conditions at approximately 1230' Cement volumes will be adjusted proportionately for depth changes of multi-stage tool.

8. Pressure Control Equipment:

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (2000 psi WP) preventer, and in some cases possibly a 2000 psi Hydril type <u>annular preventer</u> as provided for in Onshore Order #2. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on the bottom. A 13-5/8" BOP will be used during the drilling of the well. A 13 5/8" permanent casing head will be installed on the 13 3/8" casing. The BOP will be nippled up on the 13 5/8" permanent casing head and tested to 2000 psig. After setting 9-5/8", permanent "B section" well head will be installed and the BOP will then be nippled up on the permanent B. BOP and well head will be tested by a third party to 2000 psig and used continuously until total depth is reached. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve, choke lines and a choke manifold with a 2000 psi WP rating all of which will also be tested to working pressure by independent tester also.

9. Production Hole Drilling Summary:

Drill 8 ³⁄₄" hole and kick off at +/- 4979', building curve at 11°/100' over +/- 758' to horizontal at 5816' MD/ 5500' TVD Az 89.82°. Drill 7 7/8" lateral section in a easterly direction for +/4078' lateral to TD at +/-9894' MD, 5429' TVD. Run 7" x 5-1/2" production casing. 7" to be run from surface to kickoff point and then changed over to 5 ½" with DV Tool and ECP at kickoff point. 5 ½" casing will be run from kickoff point to td and isolation packers set throughout lateral. 7" to be cemented from kickoff point to surface.

10. Auxiliary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

11. Logging, Testing and Coring Program: See Cort

Α.

The following logs will be run in the vertical portion of the hole to KOP: SLB-PEX/HRLA, HNGS.

ATTACHMENT TO FORM 3160-3 COG Operating, LLC Coff TWELVE PACK FEDERAL #1H Page 6 of 6

- B. The mud logging program will consist of lagged 10' samples from KOP to TD in Horizontal hole.
- C. Drill Stem test is not anticipated.
- D. No conventional coring is anticipated.
- E. Further testing procedures will be determined after the $7" \times 5 \frac{1}{2}"$ production casing has been cemented at TD based on drill shows and log evaluation.

12. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature at TD is 93° Fahrenheit and estimated maximum bottom hole pressure is 2420 psi. Wells in the Loco Hills area will penetrate formations that are known or could reasonably be expected to contain Hydorgen Sulfide. Measurable gas volumes or Hydrogen Sulfide levels have not been encountered during drilling operations in this area, However as per Onshore order No. 6 a H2S drilling operations plan is included with this APD. No major loss circulation zones have been reported in offsetting wells.

13. Anticipated Starting Date

Drilling operations will commence approximately on December <u>31, 2012</u> with drilling and completion operations lasting approximately <u>90</u> days.



COG Operating LLC

Eddy County, NM Twelve-Pack Federal Com #1H

OH

Plan: Plan #1

Standard Planning Report

31 October, 2012

Surface: 330' FNL, 230' FWL, Sec 6, T17S, R30E, Lot 4 PBHL: 330' FNL, 330' FEL, Sec 6, T17S, R30E, Unit A PP: 330' FNL, 330' FWL, Sec 6, T17S, R30E, Lot 4



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Planning Report



Database Company: Project Site Well Wellbore Design	Houston COG Ope Eddy:Cou Twêlye²P #1H OH Plan #1	R5000 Databàše rating LLC nty, NM ack Federal Com			Local Co.ord TVD Referenc MD Referenc North Refere Survey Calcu	inate Refere ce e nce lation Metho	nce d	Well #1H WELL @ 3706 WELL @ 3706 Grid Minimum Curv	0uşft (UD) #40 0uşft (UD) #40 atúre	-14' KB) -14' KB)
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			usft)		(usft)	g (us			2 (°) 2	
	· ·	•	0.0			0.	<u> </u>			· · · · · · · · · · · · · · · · · · ·
Plan Sections Measured Depth (usft)	Slination,	Vert Vzimuth De (1)	ical pth sft)	/-S sft)	≇Ē/-₩ (usft)	Dögleg Rate //100usft)	Build Rate (7/100usft),	Turn Rate (?/100usft),	(FFO	arīarget sa
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5,806.6	91.00	90.00 5	5,500.0	0.0	530.2	11.00	11.00	0.00	90.00	
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Planning Report

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Database:	. Houston R5000	Database		Local Co	ordinate Refe	rence:	Well #1H		
Company: Project:	COG Operating	J LLC		TVD Refe	rence:		WELL @ 3706	0usft (UDI #40 - 1	4' KB)
Site:	Twelve Pack Fo	ederal Com		North Ref	ence:		WELL @ 3706	uusπ (υμι #40 - 1	4 KB)
Well:	,€ , #1H			Survey C	alculation Met	hod:	Minimum Curva	ture .	
Wellbore:	ĻОН			1 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.			ىرى ئەتھى ھى قۇرىمۇر		
Design:	2.1 Plan #1	we want the state	anna that said			AM G.L.Y.	154 fre on Official		
Planned Survey		a nama na	an transformer	and the second se	1	an and an a family and	4	are and the second	
Measured			Vertical			Vertical	Dogleg	Build	Turn
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200.0	0.00	0.00	200.0	0.0	0.0	0.0	.0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	. 0.0		0.00	0.00	0.00
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700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
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900.0	0.00	0.00	900 0	0.0	0.0	0.0	0.00 '	. 0.00	0.00
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1,100.0	0.00	0.00	1,100 0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,20010	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	.0.0	0.0	0.0	0:00	0.00	0.00
1 500 0	0.00	0.00	1 500 0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0,0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700 0	0.0	0.0	0.0	0.00	0.00	0.00
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2,000.0	0.00	0.00	2,000 0	0.0	0.0	0.0	0.00	. 0.00	0.00
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2,400.0	0.00	0.00	2,400 0	0.0	0.0	0.0	0.00	- 0.00	0.00
2 500 0	0.00	0.00	2 500 0	. 0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600 0	0.0	0.0	0.0	0.00	0:00	.0.00
2,700.0	0.00	0.00	2,700 0	0.0	· 0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	. 0.0	0.0	Ó.Ò	0.00	0.00	0.00
3,100.0	0,00	0.00	3,100,0	0.0	• 0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200,0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400,0	0.0	0.0	0.0 .	0.00	0.00	0.00
3.500.0	0.00	0.00	3.500.0	0.0	0.0	0.0	ο όο	0.00	0.00
3,600,0	0.00	Ö.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	Q.Q	0.0	0.0	0.00	. 0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	_0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4.300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0,00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	. 0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	∽ <u>0.00</u>
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	, 0.00	0:00	0.00
4,979.0	0.00	0.00	4,979.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP - 4979	1.0 MD, 4979.0 TVI		5 000 0		0 4		11.00	11.00	0.00
5,050.0	7.81	90.00	5,049.8	0.0	4.8	4.8	11.00	11.00	0.00
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COMPASS 5000.1 Build 62

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MRECTIONAL DRILLING

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Planning Report



Database Company Project:		4 Houston R500 COG Operatin Èddy County	0 Database g LLC NM		Local C TVD Rei MD Ref	ofordinate Re ference: erence:	ference:	Well #1H WELL® 370 WELL @ 370	6′0üşft (UDI #40 6′0uşft (UDI #40	14 KB) 14 KB)	
Site:		∴∳ Twelve-Pack F √ #1H	ederal Com		North R Survey	eference:	ethod:	Grid Minimum Cur	vature		8
Wellbore:		ЮН								e	1. S. S.
Design:	Sundality	Hian #1	and the second sec			and the second				and the second sec	547.7.7.7 547.7.7
Fiameo	Surveys										
	Measured Depth	Inclination	Azimuth	Vertical (, Depth	+N/-S	+Ê/-₩	Section	Rate	Rate	Rate	
53 (n ⁴	"`(usft)	(°)	(9)	(usft)	(usft)	(üsft)	(usft)	(°/100usft)	.(?/100usft);	(°/100usft)	
	5,100.0 5,150.0	13.30 18.80	90.00	5,098.9 5,146.9	0.0	14.0 27.8	14.0 27.8	11.00 11.00	11.00 11.00	0.00	
	5,200.0	24.30	90.00	5,193,4	0.0	46.2	46.2	11.00	11.00	0.00	
	5,250.0	29,80	90.00	5,237.9	0.0	08.9 `05.8	08.9	11.00	11.00	0.00	
	5,300.0	36.09	90.00	5 285 9	0.0	100.0	100.0	11.00	11.00	0.00	
1	PP = 5307 2	MD. 5285 9 TVD	36.09° INC 100	0'VS						化放射机构	
4.5	5,350.0	40.79	90.00	5,319.4	0.0	126.6	126.6	11.00	11.00	0.00	
	5,400.0	46.29	90.00	5,355 7	0.0	161.0	161.0	11.00	11.00	0.00	
	5,450.0	51.79	90.00	5,388.4	0.0	198.8	198.8	11.00	11.00	0.00	
	5,500.0	57.29	90.00	5,417!4	0.0	239.5	239.5	11.00	11.00	0.00	
	5,550.0 5,600.0	68.28	90.00	5,463 1	0.0	282.8 328.3	282.8 328.3	11.00	11.00	0.00	
	5,650.0	73.78	90.00	5,479.3	0.0	375.5	375.5	11.00	11.00	0.00	
	5,700.0	79.28	90.00	5,491 0	0.0	424.1	424.1	11,00	11.00	0.00	
	5 750 0	84.78	90.00	5,497.9	0,0	473,6	473.6	11.00	11.00	0.00	
	5,800.0	90.27	90.00	5,500.1	0.0	523.6	523.6	11.00	11.00	0.00	
~	5,806.6	91.00	90.00	5,500.0	0.0	530.2	530.2	11.00	11.00	0.00	
	EOC - 5806	.6' MD, 5500.0' TV	/D, 91.00° INC, 90	00° AZI, 530	.2' VS					64	
1	5,815.8	91.00	89.82	5,499.8	0.0	539,4	539.4	2.00	0,00	-2.00	
	5,900.0 6,000.0	91.00	89.82	5 496 6	0.5	723.5	723 5	0.00	0.00	0.00	•
	6 100 0	91.00	89.82	5,494,9	0.9	823.5	823.5	0.00	0.00	0.00	
	6,200.0	91.00	89.82	5,493.1	1.2	923.5	923.5	0.00	0.00	0.00	
	6,300.0	91.00	89.82	5,491.4	1.6	1,023.5	1,023.5	0.00	0.00	· 0.00	
	6,400.0	91.00	89.82	5,489.6	1.9	1,123.5	1,123.5	0.00	0.00	0.00	
	6,500.0	91.00	89.82	5,487,9	2.2	1,223.5	1,223.5	0.00	0.00	0.00	
	6,600.0	91.00	89.82	5,486.2	2.5	1,323.4	1,323.4	0.00	0.00	0.00	
	6,700.0	91.00	09.02	5,404,4	2.9	1,420.4	1,423.4	0.00	0.00	0.00	
·	6,800.0 6 000 0	91.00	09.8∠ 80.82	5,402.7 5 480 0	3.∠ २.5	1,523.4	1,523.4	0.00	0.00	0.00	
	7,000.0	91.00	89.82	5,479.2	3.8	1,723.4	1,723.4	0.00	0.00	0.00	
	7,100.0	91.00	89.82	5,477.4	4.1	1,823.4	1,823.4	0.00	0.00	0.00	
	7,200.0	91.00	89.82	5,475.7	4.5	1,923.4	1,923.4	0.00	0.00	0.00	
	7,300.0	91.00	89.82	5,473.9	4.8	2,023.3	2,023.3	0.00	0.00	0.00	
	7,400.0	91.00	89.82	5,472.2	5.1	2,123.3	2,123.3	0.00	0.00	0.00	•
	7,500.0	91.00	89.82	5,470.5	5.4	2,223.3	2,223.3	0.00	0.00	0.00	
	7,700.0	91.Ò0	. 89.82	5,467.0	6.1	2,423.3	2,423.3	0.00	0.00	0.00	
	7,800.0	91.00	89.82	5,465.2	6.4	2,523.3	2,523.3	0.00	0.00	0.00	
	7,900.0	91.00	89.82	5,463.5	6.7	2,623.2	2,623.2	0.00	0,00	0.00	
1	8,000.0	91.00	89.82	5,461.7	7.0	2,723.2	2,723.2	0.00	0.00	0.00	
	8,100.0	91.00	89.82	5,460.0	7.3	2,823.2	2,823.2	0.00	0.00	0.00	
	ō,∠∪∪.U 8 300 0	91.00	09.82 80.83	5 458 5	7.7 8.0	2,923.2	2,823.2	0.00	, 0.00 0.00	0.00	
	8 400 0	91.00	89.82	5,454.8	8.3	3,023.2	3,023.2	0.00	0.00	0.00	
l	8.500.0	91.00	89.82	5,453.0	8.6	3.223.1	3,223.2	0.00	0.00	0.00	
	8,600.0	91.00	89.82	5,451.3	8.9	3,323.1	3,323.1	0.00	0.00	0.00	
	8,700.0	91.00	89.82	5,449.5	9.3	3,423.1	3,423.1	0.00	0.00	0.00	
1	8,800.0	91.00	89.82	5,447.8	9.6	3,523.1	3,523.1	0.00	0.00	0.00	
t	8,900.0	91.00	89.82	5,446.0	9.9	3,623.1	3,623.1	0.00	0.00	0.00	
	9,000.0	91.00	89.82	5,444.3	10.2	3,723.1	3,723.1	0.00	0.00	0.00	
	9,100.0	91.00	89.82	5,442.5	10.6	3,823.1	3,823.1 3 633 1	. 0.00	0.00	0.00	
<u> </u>	9,200.0	91.00	89.82	5,440.8	10.9	3,923.0	3,923.1	0.00	0.00	<u> </u>	

COMPASS 5000.1 Build 62

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Database: Houston R5000 Database Company: COGOperating ULC Project: Eddy County, NM		LOCALCO- TVD Refer	ordinate Referen rence: ance:	ce: Well # WELL WELL	1H @ 3706 Ousft (U @ 3706 Ousft (U	DI #40 - 14 KB) DI #40 - 14 KB)	
sine Tweive Pack ⊫ederal/Com Well: Wellbore : 00H Design : Piani#1		North Ref Survey Ca	erence: Ilculation!Methoc	Grid I: Minimi	ım[Cürvature		
Planned Survey Measured Depth Inclination Azimuth	ertical Depth	N/15	Veri	tical Dogi tion Bat	eg , Build Ráte	Turn Rate	
(üsft): (;)	(usft) (t	isft)	(usft) (u	sft) (°/100u	sft) 🦿 (°/100ùs	ft). (°/100u	sft),
9,300.0 91.00 89.82 9,400.0 91.00 89.82 9,500.0 91.00 89.82 9,600.0 91.00 89.82 9,700.0 91.00 89.82	5,439 1 5,437 3 5,435 6 5,433 8 5,432 1	11.2 11.5 11.8 12.2 12.5	4,023.0 4,123.0 4,223.0 4,323.0 4,420.0 4,40.	4,023.0 4,123.0 4,223.0 4,323.0 4,423.0	0.00 0 0.00 0 0.00 0 0.00 0 0.00 0).00).00).00).00).00	0.00 0.00 0.00 0.00 0.00 0.00
9,800.0 91.00 89.82 9,893.6 91.00 89.82 TD @ 9893.6:MD: 5428.7: TVD	5,430 3 5,428 7	12.8 13.1	4,522.9 ^{//} 4,616.5 ^{//}	4,523.0 4,616.5	0.00 (0.00 0.00	0.00 0.00
Design Targets Target Name init/missitarget Dip Angle Dip Dir. TVD Shape (1) (2) (usfi	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	i c	ngitude
PBHL (TP#1H) 0.00 0.00 5,42 - plan hits target center - Point	28.7 13.4	4,616.5	680,286.00	0 601,321.9	0 32°.52' 1	1.112 N 104	I° 0! 11.991 ₩
Plan Annotations Measured Vertical Depth Depth +N/ (Usft) (Usft) (usft)	Local Coordinat S	es +E/-W (Usft)	Comment ^a				
4,979.0 4,979.0 5,307.2 5,285.9 5,806.6 5,500.0 9,893.6 5,428.7	0.0 0.0 0.0 13.1	0.0 100.0 530.2 4,616.5	KOP - 4979.0' M PP - 5307.2' MI EOC - 5806.6' N TD @ 9893.6' N	AD, 4979.0' TVD, 5, 5285.9' TVD, 36 AD, 5500.0' TVD, AD, 5428.7' TVD	0.00° INC, 0.00° 5.09° INC, 100.0 91.00° INC, 90.0	AZI, 0.0' VS ' VS 00° AZI, 530.2' V	S
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				·			

COMPASS 5000.1 Build 62





COG Operating LLC

COG Operating LLC Exhibit #9 BOPE and Choke Schematic



Page 2

NOTES REGARDING THE BLOWOUT PREVENTERS Maŝter Drilling Plan Eddy County, New Mexico

- Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- . 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kellý.

Blowout Preventers

- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.



Liosed Loop Operation & Maintenance Procedure

All drilling fluid circulated over shaker(s) with cuttings discharged into roll off container.

Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll off container.

Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.

Roll off containers are lined and de-watered with fluids re-circulated into system.

Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.

This equipment will be maintained 24 hrs./day by solids control personnel and or rig crews that stay on location.

Cuttings will be hauled to either:

CRI (permit number R9166) or

GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.

COG Operating LLC

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- 1. The hazards an characteristics of hydrogen sulfide (H2S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H2S detectors alarms warning systems, briefing areas, evacuation procedures, and prevailing winds.
- 4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H2S on metal components. If high tensile tubular are to be used, personnel well be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of the H2S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. The concentrations of H2S of wells in this area from surface to TD are low enough that a contingency plan is not required.

II. H2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H2S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Closed Loop Blow Down Tank
- D. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- E. Auxiliary equipment may include if applicable: annular preventer & rotating head.
- 2. Protective equipment for essential personnel:
 - A. SCBA (Self contained breathing apparatus) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.
- 3. H2S detection and monitoring equipment:
 - A. Portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.
- 4. Visual warning systems:
 - A. Wind direction indicators as shown on well site diagram.
 - B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.
- 7. Communication:
 - A. Radio communications in company vehicles including cellular telephone and 2way radio.
 - B. Land line (telephone) communication at Office.
- 8. Well testing:
 - A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H2S environment will use the closed chamber method of testing.
 - B. There will be no drill stem testing.

EXHIBIT #7

WARNING YOU ARE ENTERING AN H2S

AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CHECK WITH COG OPERATING FOREMAN AT

COG OPERATING LLC 1-432-683-7443 1-575-746-2010

EDDY COUNTY EMERGENCY NUMBERS ARTESIA FIRE DEPT. 575-746-5050 ARTESIA POLICE DEPT. 575-746-5000 EDDY CO. SHERIFF DEPT. 575-746-9888

LEA COUNTY EMERGENCY NUMBERS HOBBS FIRE DEPT. 575-397-9308 HOBBS POLICE DEPT. 575-397-9285

LEA CO. SHERIFF DEPT. 575-396-1196





PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	COG OPERATING, LLC
LEASE NO.:	NM013814
WELL NAME & NO.:	H-TWELVE PACK FEDERAL COM
SURFACE HOLE FOOTAGE:	330'/N. & 230'/W.
BOTTOM HOLE FOOTAGE	330'/N. & 330'/E.
LOCATION:	Section 6, T. 17 S., R. 30 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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